

ORIGINAL

## Memorandum of Understanding

Metropolitan Wastewater Department

Labor/Management Partnership

### BID TO GOAL PUBLIC CONTRACT OPERATIONS AGREEMENT

#### I. PREAMBLE

This Memorandum of Understanding (MOU) constitutes the basis of a successor department-wide agreement for the two Metropolitan Wastewater Department (MWWD) Bid to Goal Agreements (one covering the Wastewater Treatment and Disposal (previously the Operations and Maintenance Division) and the other the Wastewater Collection Division), which are effective through June 30, 2007. This agreement is between the Mayor, on behalf of the City of San Diego (City), the MWWD Director and the MWWD Management Team, and the employees of MWWD; hereafter referred to as the parties. The Labor-Management Partnership (LMP) is comprised of employees represented by the American Federation of State, County and Municipal Employees (AFSCME), Local 127, AFL-CIO (Local 127); employees represented by the San Diego Municipal Employees' Association (MEA); as well as Classified Unrepresented MWWD employees and the MWWD Management Team.

#### II. RECITALS

WHEREAS, MWWD is responsible for the operation, maintenance and all support functions of the regional sewerage system (System), including the City sewerage collection system; and

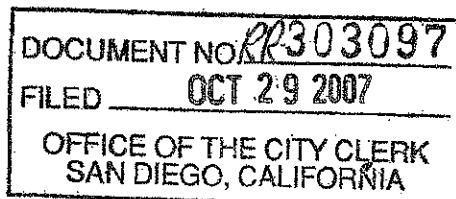
WHEREAS, the City desires to have this system operated and maintained in the most efficient and effective manner possible; while complying with all federal, state, and local laws, rules, and regulations; and while protecting the environment and promoting the health, safety and well-being of System employees, ratepayers, and other stakeholders; and

WHEREAS, the efficient and effective operation and maintenance of the System requires unique, specialized skills and certifications together with experience and expertise in established and new technologies; and

WHEREAS, employees of MWWD have acquired, refined, and maintained these same skills, certifications, and expertise; and

WHEREAS, with the assistance of external consultants, and review by citizen and employee groups, the parties have critically assessed the organization, processes, procedures, practices, budget, and staffing of MWWD, including process improvements analyzed through extensive business process reengineering, optimization efforts, and associated benchmarking;

NOW THEREFORE, the parties agree that the organizational arrangement, LMP, and accountability



structure described in this document, referred to as MWWD Bid to Goal Public Contract Operations Agreement (which combines the most beneficial aspects of the private and public sectors), is the mutually preferred and supported process to continue the optimization of the organization, policies, and practices of MWWD.

### **III. SCOPE AND DEFINITIONS**

MWWD Bid to Goal Public Contract Operations Agreement (Agreement) is herein defined as a commitment by the parties to the goals related to meeting budgets (efficiency) and maintaining service levels (effectiveness) in a manner consistent with the findings of the business process reengineering process completed in fiscal year (FY) 2007 to validate and update appropriate service levels and practices. The Agreement in its entirety will be described in this MOU as ratified by appropriate governance bodies, and in the LMP Bid as accepted by the Mayor of the City of San Diego.

Commencing on July 1, 2007, the MWWD LMP shall operate and manage the System on a 24-hour per day, 7-day per week basis, and shall collect, receive, and treat wastewater; discharge the effluent; treat reclaimed water; transport and dispose of residuals and operating wastes; control odors; conduct sampling, monitoring, and reporting; provide appropriate support for the capital improvement program; and otherwise manage and operate the City's wastewater infrastructure so as to comply with the requirements of this MOU and the LMP Bid.

The scope of this Agreement includes the operations, maintenance and support services associated with all facilities and customer requirements recognized by MWWD at the conclusion of FY 2007. It is the intent of this Agreement that service levels provided shall meet or exceed stated benchmarks, and in any event shall not be less than those service levels provided in FY 2007 unless stipulated in the Agreement or by City management for business reasons.

Any new facilities and/or activities that have not been accounted for in the MOU or the accepted LMP Bid, or that were not part of the MWWD mission and operating scope in FY 2007, shall not be within the scope of the Agreement. Changes in facilities or activities considered within the scope of the Agreement must be reflected in Agreement amendments agreed to by all parties.

It is understood that the MEO Budget Objective identified in this document is based on performance service levels optimized at benchmarks determined by a third party industry expert to be within the competitive range for public and private wastewater service providers nationally. In order to remain in compliance with federal/state mandates and bond covenants, operation and maintenance procedures and process modifications planned or executed to attain the goals are subject to review by an independent feasibility engineer or other competent agent, if deemed necessary by the Mayor of San Diego. Results of such review may impact proposed modifications and MEO Budget Objectives. Key performance service levels are specified in Section IV, GOAL.

The Goal is designed to yield economic benefits to ratepayers while maintaining the integrity and soundness of capital investments, infrastructure, and operations; and safeguarding the environment. In

addition, the Goal is designed such that the City can continue to meet its commitments to employees and promote cooperative labor-management relations. It is noted that the Bid to Goal concept embodies continual improvement through industry benchmarking and process assessment, both on an ongoing basis and periodically (approximately every 5 years) in a very rigorous and thorough project. The periodic major benchmarking and process reengineering effort is designed to account for such very significant changes in the operating environment as improved technology, enhanced industry best practices, and changes in the competitive marketplace. This aspect of Bid to Goal is analogous to the periodic refreshment of private contract operations via re-negotiation of ongoing contracts with updated information, but avoids the potential disruption of a public health and safety related service (documented as experienced by other local governments) attributed to changing service providers when current operations are appropriate, proven, and analyzed to be competitive relative to a viable private provider. A related factor is the mitigation of expenses, time and litigation risks associated with an open competition. The initial MWWD Bid to Goal agreements covered wastewater collection, conveyance, treatment, and disposal processes. This Agreement refreshes those benchmarks, plus incorporates all support services conducted by MWWD into a unified department-wide Agreement aimed at articulating and aligning common business goals and objectives for the entire wastewater utility.

The parties agree that an LMP Bid will be submitted after the City Council's ratification of this MOU, and that the Mayor will evaluate the LMP Bid and facilitate reasonable actions to achieve final acceptance. The LMP Bid will be a plan offered by the LMP to meet the performance service levels and MEO Budget Objectives indicated in this MOU, along with implementation and interpretive details. Operating as companion and complementary documents, this MOU and the associated LMP Bid constitute the Public Contract Agreement (Agreement) that provides the contract-like provisions needed to assure mutual accountability in delivering the functions and service levels specified in a clear and transparent manner.

#### **IV. GOAL**

This MOU is a commitment to operate and maintain the system effectively, efficiently, and competitively. The Goal reflects a level of competitive performance and cost efficiency determined through Business Process Reengineering managed by the City Business Office and based upon data from benchmarking efforts developed by a third party industry expert. In addition, the Goal has been reviewed and supported by oversight organizations as appropriate.

##### **A. Key Performance Service Levels**

All strategies employed to meet the MEO Budget Objectives of the MWWD Bid to Goal Agreement will be consistent with the premise that primary service levels of core wastewater management functions must be maintained at current standards, or better, unless otherwise noted in light of refreshed benchmarks or analyses of stakeholder requirements. The parties acknowledge that there may be reasonable differences of interpretation regarding service level components and standards. In this regard, the LMP Bid will provide clarifying information as appropriate. The performance service levels stipulated in the table below are considered key metrics to overall wastewater utility service delivery.

In that context, should any of these core measures not be met, the deposit to the Employee Efficiency Incentive Reserve (described in section IV.C. below) shall be decremented by 10% for each unmet key performance metric.

**Table 1: Key Performance Service Levels**

<b>Key Performance Metrics</b>	<b>Performance Goal</b>
Sanitary Sewer Overflows: Number of SSO's per 100 miles of Main	FY 2008 to improve upon FY 2007 total. Goal thereafter to be reset each year.
Point Loma Wastewater Treatment Plant Permit Compliance:	80% TSS Removal (annual average),  58% BOD Removal (annual average)
North City Water Reclamation Plant Permit Compliance:	30 mg/l BOD and TSS for 30-day avg.,  45 mg/l BOD and TSS for daily max
South Bay Water Reclamation Plant Permit Compliance:	30 mg/l BOD and TSS for 30-day avg.,  45 mg/l BOD and TSS for daily max
Metro Biosolids Center Performance:	Maintain cake solids percent between 28% and 32%
ISO 140001 Certification for Wastewater Collection Division	Retain certification
ISO 140001 Certification for Wastewater Treatment and Disposal Division	Retain certification
ISO 140001 Certification for Environmental Monitoring and Technical Services Division	Retain certification

## **B. MEO Budget Objective**

The MEO Budget Objective was developed by an industry expert as a representative offering by a private sector firm to accomplish the mission of MWWD. For in-scope facilities, the LMP is committed to continuing performance at the benchmarked service and budget levels validated to reflect an optimized organization.

The Projected Baseline Budget below is the current proposed Fiscal Year 2008 MWWD Budget. The MEO Budget Objective for Fiscal Year 2008 will be the Total Fiscal Year 2008 MWWD Budget less Pass-Through items. Going forward, each fiscal year's MEO Budget Objective will be recalculated with Non-Personnel Expenses (NPE) inflated proportionate to the Consumer Price Index (CPI) and Personnel Expenses (PE) inflated with consideration of negotiated employee salary and compensation increases.

The parties acknowledge that on-going organizational reengineering necessary for optimized service delivery is a significant undertaking. The necessary changes to processes, work practices, and staffing must be carefully and conscientiously planned and implemented. When lawfully required, proposed

changes will be subject to the Meet and Confer process with formally recognized employee bargaining representatives.

**Table 2: Fiscal Year 2008 Projected Baseline Budget & MEO Budget Objective**

<b>CATEGORY</b>	<b>PROJECTED BASELINE BUDGET</b>	<b>MEO BUDGET OBJECTIVE</b>
<b>Total Operating Budget</b>	<b>\$ 213,502,095.</b>	<b>\$ 213,502,095</b>
Personnel Expenditures (PE)	\$ 86,544,142.	\$ 86,544,142.
Non-Personnel Expenditures (NPE)	\$ 126,957,953	\$ 126,957,953
<b>Total Pass-Through Items</b>	<b>\$ 262,822,846.</b>	
O&M Service Level Agreements	\$ 15,698,605.	
Debt Service	\$ 100,110,283	
Reserves	\$ 46,335,002	
Capital Improvement Program (CIP)	\$ 100,678,956.	
<b>Total MWWD Budget</b>	<b>\$ 476,324,941.</b>	

- (1) Fiscal evaluation will be made on total MEO Budget Objective and total In-Scope Expenditures only. MWWD will not be held to PE and NPE components.
- (2) As in previous Bid to Goal Agreements, it is understood that any significant changes in service levels required by the City will prompt the inclusion of an amendment to this Agreement.
- (3) Other specific adjustments for costs related to unforeseen circumstances may be made only pursuant to the Administration of Agreement provisions in Section V of this document.

**C. Accountability: Employee Efficiency Incentive Reserve and Resulting Operational Savings**

The MEO Budget Objective described in the above Section IV.B. reflects spending levels validated to be within the competitive range for supporting, operating and maintaining the existing System. Results of this Agreement will be influenced by a number of factors, including achieving and maintaining specified service levels, and the ongoing ability of the City / MWWD organization to implement optimization measures, and to manage and accommodate challenges in the dynamic work environment. A key part of the Bid to Goal concept is accountability through the administration of appropriate performance measurement and management systems to provide transparency of results, alignment of common business goals and objectives, and encouragement of desirable outcomes.

To these ends, and to encourage future efficiency gains beyond MEO Budget Objectives, a performance management program modeled on private sector gainsharing principles will be administered. To facilitate this performance management program, the Employee Efficiency Incentive Reserve is implemented. The major intent of the Employee Efficiency Incentive Reserve is to motivate efficiencies beyond those determined in the extensive FY 2007 Business Process Reengineering effort and the resultant funds available for the benefit of sewer ratepayers. In this context, the parties agree that 50% of any positive variance between final annual validated in-scope expenditures and the in-scope MEO Budget Objective shall be identified, deposited and accounted for in the Employee Efficiency Incentive Reserve. This deposit will be contingent upon validation of key performance service levels as

identified in Section IV.A. above (including any applicable decrements from unmet key performance metrics), and any analysis deemed necessary of all Sewer Fund expenditures and legal obligations. This Employee Efficiency Incentive Reserve is capped at a \$10,000,000 cumulative balance (new share + existing balance from prior years), with all remainder designated as savings for the benefit of sewer ratepayers. Expenditure of funds from the Employee Efficiency Incentive Reserve shall follow normal City rules and authorization processes with the additional requirements that they will be subject to specific authorization by the MWWDD Director, based upon recommendations from the MWWDD Bid to Goal Labor-Management Committee (LMC). The potential uses of this reserve include, but are not limited to:

- 1) Credits toward MEO Budget Objectives in subsequent years if and when necessary for the LMP to meet annual goals, and/or;
- 2) Purchase of otherwise unfunded new technology, equipment, training, consultant services, and/or to promote the productivity and professionalism of MWWDD employees, and/or,
- 3) Funding of a Gainsharing payout to employees. Gainsharing is discussed in greater detail in section IV.D, below.

At the conclusion of the term of this Agreement (after a final determination is made of appropriate funds for the final year and a final Gainsharing payout if warranted), residual Employee Efficiency Incentive Reserve funds may be applied toward: a) an Employee Efficiency Incentive Reserve in a successor agreement, if any; or b) enhancing the productivity and/or professionalism of employees and the department, as recommended by the LMC and approved by the Department Director.

Prior to any funds being available for recommended use from the newly established Employee Efficiency Incentive Reserve, an amount equal to the funds appropriated for consultant assistance in the FY 2007 Business Process Reengineering / Bid to Goal Optimization Study (\$1.1 million) shall be reimbursed from validated savings (positive variance as described above). Once this reimbursement is satisfied, the guidelines covered above shall be applied to further savings during the term of this Agreement.

#### **D. Gainsharing**

The Gainsharing option for Employee Efficiency Incentive Reserve funds is defined as a team cash performance pay incentive, and will be in-lieu of all other team incentives, such as the existing Pay-for-Performance Program. Basic Gainsharing program guidelines are as follows:

- 1) This successor MWWDD Bid to Goal Gainsharing program is intended to be a unified performance pay incentive utilizing aspects of previous Bid to Goal Gainsharing and Pay-for-Performance programs. As a result, this redefined Gainsharing program consolidates the previously administered gainsharing and Pay-for-Performance systems into one unified performance management system designed to appropriately recognize and provide accountability for achievement of organizational goals.

2) Subject to funds available in the Employee Efficiency Incentive Reserve, actual individual payouts shall be recommended annually by the LMC and approved by the Department Director. Individual full payout shares shall be capped at \$4,000 (net of taxes) per year, and shall be based on goal achievement at department and division/section levels, as well as individual employee eligibility and performance.

## **V. ADMINISTRATION OF AGREEMENT**

### **A. Term of Agreement**

Service levels and budget objectives for this Agreement have been defined through Business Process Reengineering and Bid to Goal Optimization processes through 5 years (FY 2008 –FY 2012). It is acknowledged that this extensive level of assessment and benchmarking is not cost-effective on a continual basis, but must be renewed periodically to appropriately account for potential changes in technology, industry best practices, and the relevant marketplace. Accordingly, it is the intent of this Agreement that the basic provisions remain in effect for the 5 years specified, subject to the termination provisions described in V. B. and V. C. below. Other benchmarking and goal-setting actions appropriate for assuring quality service delivery shall be conducted within the provisions and intent of this Agreement.

### **B. Termination for Default**

In-scope spending, less a) an amount of no more than two times the unexpended monies in the Employee Efficiency Incentive Reserve, and b) any Mayoral authorized amount of enhanced Department revenues allocated to budget shortfalls, may not exceed MEO Budget Objective spending as adjusted pursuant to section V.D. Performance Monitoring and V.E. Uncontrollable Events/Changes in Law by more than a cumulative total of \$4 million during the term of this Agreement. Should the cumulative Department spending exceed a MEO Budget Objective, as defined above, by more than \$4 million, this Agreement may be deemed in default for inefficiency.

Should any three of the key performance service levels specified in Section IV.A. be unmet at the end of a fiscal year, this Agreement may be deemed in default for ineffectiveness.

All annual MEO Budget Objective shortfalls of the Department must be repaid in total before a positive balance can be established in the Employee Efficiency Incentive Reserve before funds can be expended from the Employee Efficiency Incentive Reserve. In-scope MWWWD spending (as defined in the LMP Bid) in excess of MEO Budget Objectives is defined to be a MEO Budget Objective shortfall.

The parties recognize that if LMP performance results in default, as defined above, the Agreement may be terminated at the sole discretion of the Mayor of the City of San Diego. In addition, a competitive procurement pursuant to and consistent with applicable laws, regulations and policies may be initiated at the sole discretion of the Mayor of the City of San Diego.

### **C. Termination for Convenience**

The Mayor of the City of San Diego shall have the right at any time after the completion of the first fiscal year of service, exercisable at his/her sole discretion, for his/her convenience and without cause, to terminate this Memorandum of Understanding upon 60 days written notice to the other parties (specifically MWWD and the two signatory labor organizations).

### **D. Performance Monitoring**

The parties agree that the methods to be used to monitor the Department's performance during the term of the Agreement shall be typical of the methods used by public agencies in assessing the performance and costs of private contract operators of wastewater treatment facilities. To that end, costs properly charged to MWWD will be limited to those associated with core operations and maintenance functions of MWWD and direct support functions including administration costs associated with employee transitions (i.e. training, job counseling, and costs of processing employee transfers). As defined more thoroughly in the LMP Bid document, the costs charged to the system would properly exclude:

- Unplanned costs directly associated with Capital Improvement Projects
- Employee time or MWWD resources, beyond current levels, for activities which are mandated by the City but are not associated with core or direct support functions.

Changes in revenues associated with the System operation will not directly impact System performance with respect to Goal attainment. However, revenue changes resulting from employee innovation and initiative may be discussed on a case by case basis with the Mayor's Office. The Mayor may, based upon the review, authorize some or all of the revenue to be allocated to the Employee Efficiency Incentive Reserve or other Sewer Enterprise Fund uses (including budget shortfalls) in accordance with the bond covenants.

At least annually, not later than November 30, MWWD via the MWWD Director shall submit a Performance Report to the Public Works Deputy Chief Operating Officer. The Performance Report shall include the following:

- Performance standards and actual performance (both financial & operational) - quantitative measures of performance which demonstrate level of services provided,
- Explanations for all instances where MEO Budget Objectives and/or performance standards are not met and an action plan for correcting the situation in the current year, and
- A narrative description of issues and events bearing on current and prospective oversight of the Agreement.
- A summary of performance and claim of savings resulting from efficiency gains to be deposited in the Employee Efficiency Incentive Reserve.

After it is submitted, the annual Performance Report shall be reviewed by an independent auditor who shall issue a report to the Mayor and the Metropolitan Wastewater Department Director related to the review. A copy of the audit report shall be provided to each labor union. Results of this audit or review will be taken into account with regard to any amounts of claimed savings allocated to the Employee



Efficiency Incentive Reserve. Employee Gainsharing may only be disbursed after the Employee Efficiency Incentive Reserve is validated.

The form and content of performance monitoring will be further defined in the LMP Bid. It is understood that the MEO Budget Objective as stated in this Agreement and as reset each year in line with the MWWD approved budget shall remain inviolate for the term of this Agreement, subject to adjustments only pursuant to the express language of this MOU.

#### **E. Uncontrollable Events/Change in Law**

The MWWD Bid to Goal MEO Budget Objective is based on reasonable assumptions of projected costs and savings. However, the parties understand and acknowledge that extraordinary unforeseen events, beyond the reasonable control of MWWD employees and management, may result in costs and/or savings that could significantly affect their ability to meet the stated objectives.

To protect and promote the objectives of Bid to Goal, the parties agree that cost impacts associated with extraordinary and unforeseen events may lead to adjustments of the MEO Budget Objective for the purposes of assessing MWWD's performance in this program. Such events may include but are not limited to:

- Inflation in major NPE beyond appropriate consumer price indices;
- Mandates for increased and/or decreased service levels;
- Increases in wastewater flow volumes significantly in excess of volumes projected in the system financing plans;
- Significant detrimental changes in influent characteristics;
- Catastrophic breakdowns of major equipment or capital; and
- Catastrophic Acts of Nature.

Any other events beyond the reasonable control of employees and management, including changes in law, that have a material effect upon costs or their ability to perform to the terms of this Agreement and/or corollary service agreements may have the effect of re-opening negotiations to make appropriate adjustments to MEO Budget Objective.

A Change in Law shall generally include any of the following events which occur after the Agreement date:

- a) the promulgation, modification, or written change in interpretation by a controlling authority of any applicable law unless MWWD had or should have had notice and sufficient interpretive information of such a change as of the date of this Agreement; or
- b) the order or judgment of any court or other controlling authority as long as it was not the result of a willful or negligent act or lack of reasonable diligence by a party to this Agreement;  
or

c) the inclusion of a new relevant permit condition or the denial of a permit application if such denial is not the result of a willful or negligent action or lack of diligence by a party to this Agreement.

A Change in Law shall not include a change in any tax or similar law.

The Director of MWWD shall be responsible for investigating uncontrollable events/changes in law to determine materiality, as detailed above. Upon such findings, the Director shall issue notice to the parties of this agreement stating the cost and consequence of the event. Depending on the nature of the event and findings, associated costs may either be: a) removed from the total costs charged against MWWD for assessing fiscal performance; or b) the parties of this Agreement shall reconvene to renegotiate the MEO Budget Objective in light of the event. In the latter case, only the MEO Budget Objective of this Agreement related to the specific event shall be reopened; all other terms and conditions shall remain unchanged.

#### **F. Labor-Management Cooperation**

The parties acknowledge that cooperative labor-management relations as typified by the relationship established in developing and successfully executing the MWWD Bid to Goal Agreement, are critical to meeting the competitive challenge and objectives detailed in this document. The parties commit to maintaining the momentum, energy, and good will of this effort.

To that end, MWWD, Local 127, and MEA will participate in a Department-wide LMC to monitor progress, identify issues and eliminate barriers to success, and to otherwise maintain a mutual commitment to open communications and consensus.

#### **G. Relationship with Labor Contracts**

It is the intent of the parties that this Agreement be interpreted in harmony and compliance with the comprehensive labor contracts between the City of San Diego and authorized employee organizations representing MWWD employees.

#### **H. Dispute Resolution**

Any disputes (except for those concerning audits or reviews) that arise from a charge of a violation or misinterpretation of this Agreement shall be resolved through the applicable use of established processes within labor agreements in effect at the time of the dispute.

#### **I. Applicable Law**

In the event that any condition, covenant, or provision of this MOU is held to be invalid or void by any court of competent jurisdiction, or is deemed to be contrary to the law or any covenant or condition or provision of any contract to which the City is a party, the same shall be deemed severable from the remainder of this MOU and in no way shall affect any other covenant, condition, or provision. If any

covenant, condition, or provision of this MOU is deemed to be invalid due to scope or breadth, such covenant, condition, or provision shall be deemed valid to the extent the scope or breadth is permitted by law.

**J. Impacts on Staff**

The parties agree that a top priority in the MWWD Bid to Goal Agreement is to optimize the System operations and, in the process of doing so, to protect the employment rights of all affected employees.

**K. Successor Agreement**


The parties recognize that insofar as it is in the mutual interest of the public and the parties, and that insofar that the parties will have met the terms and conditions of this and corollary service agreements, that it will be the option of the parties to negotiate a new agreement or extension of the existing agreement at the conclusion of the term of this Agreement.

This Agreement shall be effective only after the ratification of all parties listed below as evidenced by their respective signatures. This Agreement will have no force or final effect without City Council approval.


IN WITNESS WHEREOF, the undersigned agree to submit this Memorandum of Understanding to the appropriate bodies for approval and final ratification.

Date: 01/17/08

AMERICAN FEDERATION OF  
STATE, COUNTY AND MUNICIPAL  
EMPLOYEES, LOCAL 127, AFL-CIO

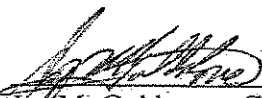
  
Joan Raymond, President


SAN DIEGO MUNICIPAL EMPLOYEES'  
ASSOCIATION

  
Judie Italiano, General Manager

CITY OF SAN DIEGO

  
Jerry Sanders, Mayor, City of San Diego

  
Jay M. Goldstone, Chief Operating Officer,  
City of San Diego

  
Jim Barrett, Director,  
Metropolitan Wastewater Department



RESOLUTION NUMBER R- **303097**

DATE OF FINAL PASSAGE **NOV 08 2007**

RESOLUTION OF THE CITY COUNCIL RATIFYING THE  
BID TO GOAL MEMORANDUM OF UNDERSTANDING;  
AND AUTHORIZING THE MAYOR TO APPROVE AND  
ACCEPT THE BID OF THE METROPOLITAN WASTEWATER  
DEPARTMENT'S LABOR - MANAGEMENT PARTNERSHIP.

WHEREAS, the City of San Diego has had bid to goal agreements in connection with  
the operation of the City's wastewater system since 1997; and

WHEREAS, the bid to goal agreements have resulted in substantial cost savings to the  
City; and

WHEREAS, the bid to goal agreements expired at the end of Fiscal Year 2007; and

WHEREAS, the City would like to renew and expand the bid to goal agreements for the  
Metropolitan Wastewater Department; NOW, THEREFORE,

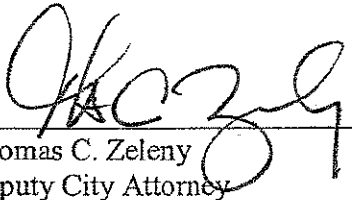
BE IT RESOLVED, by the Council of the City of San Diego, that the Council ratifies  
the Memorandum of Understanding for the Bid to Goal Public Contract Operations Agreement,  
as set forth in the document, on file in the office of the City Clerk as Document Number  
RR **303097** regarding the operation of the City's wastewater system.

BE IT FURTHER RESOLVED, that pursuant to the Memorandum of Understanding,  
the Mayor or his designee is authorized to approve and accept a responsible and responsive  
Metropolitan Wastewater Department Labor-Management Partnership Bid for the operation of  
the City's wastewater system.

BE IT FURTHER RESOLVED, that this activity is not a "project" and therefore is not subject to the California Environmental Quality Act pursuant to State CEQA Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By

  
Thomas C. Zeleny  
Deputy City Attorney

TCZ:mb  
07/18/07  
Aud.Cert:N/A  
Or.Dept:MWWD  
MWD-8000  
R-2008-90

I hereby certify that the foregoing resolution was passed by the Council of the City of San Diego, at its meeting of OCT 29 2007.

ELIZABETH S. MALAND, City Clerk

By

  
Deputy City Clerk

Approved: 11-8-07

(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_

(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on October 29, 2007, by the following vote:

YEAS: PETERS, FAULCONER, ATKINS, YOUNG, FRYE, MADAFFER, & HUESO.  
NAYS: NONE.  
NOT PRESENT: MAIENSCHIN.  
RECUSED: NONE.

AUTHENTICATED BY:

**JERRY SANDERS**

Mayor of The City of San Diego, California

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(Seal)

By: GIL SANCHEZ, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of  
RESOLUTION NO. R-303097, approved by the Mayor of The City of San Diego,  
California on November 08, 2007.

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy

